



Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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SHEARING STEEL SHEETS & SLITTING STEEL COILS AS MANUFACTURING

Issued July 17, 1974

Repealed June 17, 2000

Does the shearing of steel sheets to dimension and the slitting of steel coils to customer's requirements constitute manufacturing?

RCW 82.04.120 defines the term "to manufacture" as follows:

"To manufacture" embraces all activities of a commercial or industrial nature wherein labor or skill is applied by hand or machinery to materials so that as a result thereof a new different or useful substance or article of tangible personal property is produced for sale or commercial or industrial use and shall include the production or fabrication of special made or custom made articles.

The taxpayer was engaged in the activity of shearing steel sheets to dimension and slitting steel coils according to the requirements of customers. As this activity produced products differing in appearance and usefulness from the original materials, the Department held the activity to be manufacturing and, therefore, the taxpayer was taxable as a manufacturer.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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